

Regional Development News & Notes



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2002 CDBG \$\$\$

The New Hampshire Office of State Planning has been notified by HUD of its 2002 Community Development Block Grant allocation. Although slightly lower than last year, the amount available for economic development remains at approximately \$4.5M.

Remember, OSP can receive CDBG Economic Development Grant applications any time during the calendar year. Grant money is available on a first come, first served basis. Actual availability of funds is anticipated starting in May 2002.



Next OSP/RDC Director's Meeting

Based on positive comments from our last RDC Director's meeting, we will be holding future gatherings on a quarterly basis. Details thus far for the next meeting are:

- **Date:** March 13, 2002
- **Location:** Conway, NH (or vicinity)
- **Host RDC:** MWVEC

TIF Update

After last month's column on Tax Increment Financing (TIF), a question arose on the effect of a State Property Tax on the TIF formula. It appears that the State Property Tax ***IS NOT*** captured by the TIF.

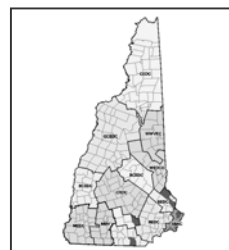
With regard to local school and county taxes, these can vary by each TIF district. With public hearing input from County and School officials, the municipality decides whether local school taxes and county taxes are captured by the TIF. NHRSA Chapter 162-K:9 part III outlines the framework for this process.

WEB Site Improvements

www.state.nh.us/osp/cdbg/index.htm



Recent upgrades to the OSP Web site now include easier access to economic development information. A Regional Development link on the OSP main page takes the user to a new RDC page in the CDBG program area. The new page includes a description of services offered by the RDCs, and a statement of their purpose.



Also included is a NHRDC coverage map with "hot links" to each RDC web site. Users simply click on the geographic region of interest to be linked with the RDC for that area. Check it out!

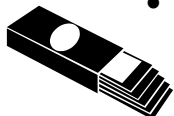
CDBG Grant Awards

The CDBG Advisory Committee recently recommended the following Economic Development Grant applications for G&C approval:

- A two-year, \$1,000,000 grant to Belknap County in partnership with BCEDC and VUTEK, Inc. 50 new jobs are expected from this expansion of the manufacturing facility in Meredith, NH.
- A two-year, \$1,000,000 grant to Coos County in conjunction with CEDC and Presby Plastics, Inc. The planned manufacturing expansion in Whitefield, NH will create 50 new jobs.
- A \$500,000 grant to the Town of Littleton in partnership with GCEDC and Riverglen House of Littleton, LLC. 25 full-time jobs will be created from the construction of this assisted living facility in downtown Littleton, NH.
- A \$350,000 grant to the Town of Bethlehem in conjunction with GCEDC and White Mountain Stitching. Improvements to the Littleton, NH manufacturing facility, and product line diversification, will create 26 full-time jobs.
- A \$300,000 grant to the Town of Exeter in partnership with REDC and Appleseeds Day School. This new facility will provide care services for 104 children, and will create 18 new full-time jobs.

Did You Know?

(things to ponder, or not, when solving the economic development needs of NH)



- The first product to have a bar code was Wrigley's gum. (chew on that one)

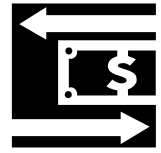


- American Airlines saved \$40,000 in 1987 by eliminating one olive from each salad served in First-Class. (lesson: watch the pennies and the dollars will take care of themselves)

Happy New Year!



New Markets Tax Credits



Potential New Opportunity to Help Build Capital For RLFs

The Community Renewal Relief Act of 2000 includes a program called New Markets Tax Credit (NMTC). Program information and application materials are available at the following Department of The Treasury CDFI Fund Web site: <http://www.cdfifund.gov/programs/newmarkets/index.html>.

The NMTC Program permits taxpayers to receive a credit against Federal income taxes for making qualified equity investments (7-year minimum term) in designated, for-profit, Community Development Entities (CDE). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a seven-year period. The invested money must be substantially used in support of business activities in low-income communities (any census tract with a poverty rate of at least 20%, or where Median Family Income (MFI) does not exceed 80% of the statewide MFI if outside a metropolitan area, or the greater of statewide MFI or metropolitan area MFI if located in a metro area).

CDFIs and SSBICs automatically qualify as CDEs. All other organizations (such as RDCs) must complete and submit to the Fund a CDE Certification Application. The Application may be downloaded from the Fund's Web site at www.cdfifund.gov.

NOTE:

Non-profit organizations are not eligible to offer NMTCs to their investors. They can, however, transfer tax credit allocations to a for-profit subsidiary. A non-profit organization may therefore want to establish a for-profit subsidiary to: (a) apply directly to the Fund for an allocation of tax credits; and/or (b) receive tax credit transfers from the non-profit parent.

The NMTC program is very new, and yet to be tested by New Hampshire RDCs. We will publish NMTC experiences in future issues of this newsletter. Keep us posted on your progress!